

**BOEHM, KURTZ & LOWRY**

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**VIA OVERNIGHT MAIL**

December 8, 2005

RECEIVED

DEC 09 2005

PUBLIC SERVICE  
COMMISSION

Beth A. O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

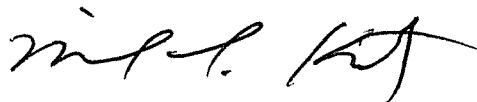
**Re: Case No. 2005-00351 and Case No. 2005-00352**

Dear Ms. O'Donnell:

Please find enclosed the original and twelve (12) copies of the exhibits to the Direct Testimony of Lane Kollen previously filed on behalf of the Kentucky Industrial Utility Customers, Inc. The exhibits were inadvertently omitted from the original filing.

By copy of this letter, all parties listed on the attached Certificate of Service been served. Please place this document of file.

Very Truly Yours,



David F. Boehm, Esq.  
Michael L. Kurtz, Esq.  
**BOEHM, KURTZ & LOWRY**

MI Kkew  
Attachment

cc: Certificate of Service  
A. W. Turner, Esq.

### CERTIFICATE OF SERVICE

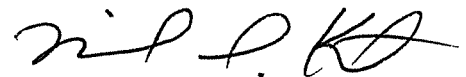
I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by overnight mail (unless otherwise noted) to all parties on the 8<sup>th</sup> day of December, 2005.

Honorable Elizabeth E. Blackford  
Assistant Attorney General  
Office of the Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204  
[betsy.blackford@law.state.ky.us](mailto:betsy.blackford@law.state.ky.us)

Kent W. Blake  
Director State Regulations and Rates  
Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010  
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Honorable Elizabeth L. Cocanougher  
Senior Corporate Attorney  
Kentucky Utilities Company  
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P. O. Box 32010  
Louisville, KY 40232-2010

Honorable Kendrick R. Riggs  
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1700 PNC Plaza  
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David F. Boehm, Esq.

Michael L. Kurtz, Esq.

## **RESUME OF LANE KOLLEN, VICE PRESIDENT**

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### **EDUCATION**

**University of Toledo, BBA**  
Accounting

**University of Toledo, MBA**

### **PROFESSIONAL CERTIFICATIONS**

**Certified Public Accountant (CPA)**

**Certified Management Accountant (CMA)**

### **PROFESSIONAL AFFILIATIONS**

**American Institute of Certified Public Accountants**

**Georgia Society of Certified Public Accountants**

**Institute of Management Accountants**

More than twenty-five years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition diversification. Expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### EXPERIENCE

1986 to

**Present:** **J. Kennedy and Associates, Inc.:** Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Minnesota, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, and West Virginia state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to

**1986:** **Energy Management Associates:** Lead Consultant.  
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to

**1983:** **The Toledo Edison Company:** Planning Supervisor.  
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.  
Construction project cancellations and write-offs.  
Construction project delays.  
Capacity swaps.  
Financing alternatives.  
Competitive pricing for off-system sales.  
Sale/leasebacks.

**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**CLIENTS SERVED****Industrial Companies and Groups**

|   |  |
|---|--|
| Air Products and Chemicals, Inc.            | Lehigh Valley Power Committee          |
| Airco Industrial Gases                      | Maryland Industrial Group              |
| Alcan Aluminum                              | Multiple Intervenors (New York)        |
| Armco Advanced Materials Co.                | National Southwire                     |
| Armco Steel                                 | North Carolina Industrial              |
| Bethlehem Steel                             | Energy Consumers                       |
| Connecticut Industrial Energy Consumers     | Occidental Chemical Corporation        |
| ELCON                                       | Ohio Energy Group                      |
| Enron Gas Pipeline Company                  | Ohio Industrial Energy Consumers       |
| Florida Industrial Power Users Group        | Ohio Manufacturers Association         |
| General Electric Company                    | Philadelphia Area Industrial Energy    |
| GPU Industrial Intervenors                  | Users Group                            |
| Indiana Industrial Group                    | PSI Industrial Group                   |
| Industrial Consumers for                    | Smith Cogeneration                     |
| Fair Utility Rates - Indiana                | Taconite Intervenors (Minnesota)       |
| Industrial Energy Consumers - Ohio          | West Penn Power Industrial Intervenors |
| Kentucky Industrial Utility Customers, Inc. | West Virginia Energy Users Group       |
| Kimberly-Clark Company                      | Westvaco Corporation                   |

**Regulatory Commissions and  
Government Agencies**

Georgia Public Service Commission Staff  
Kentucky Attorney General's Office, Division of Consumer Protection  
Louisiana Public Service Commission Staff  
Maine Office of Public Advocate  
New York State Energy Office  
Office of Public Utility Counsel (Texas)

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### Utilities

Allegheny Power System  
Atlantic City Electric Company  
Carolina Power & Light Company  
Cleveland Electric Illuminating Company  
Delmarva Power & Light Company  
Duquesne Light Company  
General Public Utilities  
Georgia Power Company  
Middle South Services  
Nevada Power Company  
Niagara Mohawk Power Corporation

Otter Tail Power Company  
Pacific Gas & Electric Company  
Public Service Electric & Gas  
Public Service of Oklahoma  
Rochester Gas and Electric  
Savannah Electric & Power Company  
Seminole Electric Cooperative  
Southern California Edison  
Talquin Electric Cooperative  
Tampa Electric  
Texas Utilities  
Toledo Edison Company

**Expert Testimony Appearances  
of  
Lane Kollen  
As of October 2005**

| <b>Date</b> | <b>Case</b>                                | <b>Jurisdic.</b>                    | <b>Party</b>                                       | <b>Utility</b>               | <b>Subject</b>  |
|-------------|--|-------------------------------------|--|------------------------------|---|
| 10/86       | U-17282<br>Interim                         | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements<br>financial solvency.                            |
| 11/86       | U-17282<br>Interim<br>Rebuttal             | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements<br>financial solvency.                            |
| 12/86       | 9613                                       | KY                                  | Attorney General<br>Div. of Consumer<br>Protection | Big Rivers<br>Electric Corp. | Revenue requirements<br>accounting adjustments<br>financial workout plan.   |
| 1/87        | U-17282<br>Interim                         | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements,<br>financial solvency.                           |
| 3/87        | General<br>Order 236                       | WV                                  | West Virginia Energy<br>Users' Group               | Monongahela Power<br>Co.     | Tax Reform Act of 1986.   |
| 4/87        | U-17282<br>Prudence                        | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Prudence of River Bend 1,<br>economic analyses,<br>cancellation studies.    |
| 4/87        | M-100<br>Sub 113                           | NC                                  | North Carolina<br>Industrial Energy<br>Consumers   | Duke Power Co.               | Tax Reform Act of 1986.   |
| 5/87        | 86-524-E-                                  | WV                                  | West Virginia<br>Energy Users'<br>Group            | Monongahela Power<br>Co.     | Revenue requirements.<br>Tax Reform Act of 1986.                            |
| 5/87        | U-17282<br>Case<br>In Chief                | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Revenue requirements,<br>River Bend 1 phase-in plan,<br>financial solvency. |
| 7/87        | U-17282<br>Case<br>In Chief<br>Surrebuttal | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Revenue requirements<br>River Bend 1 phase-in plan,<br>financial solvency.  |
| 7/87        | U-17282<br>Prudence<br>Surrebuttal         | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Prudence of River Bend 1,<br>economic analyses,<br>cancellation studies.    |

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|-------------|----------------------------|-------------------------------------|--|----------------------------------|--|
| 7/87        | 86-524<br>E-SC<br>Rebuttal | WV                                  | West Virginia<br>Energy Users'<br>Group            | Monongahela Power<br>Co.         | Revenue requirements,<br>Tax Reform Act of 1986.   |
| 8/87        | 9885                       | KY                                  | Attorney General<br>Div. of Consumer<br>Protection | Big Rivers Electric<br>Corp.     | Financial workout plan.  |
| 8/87        | E-015/GR-<br>87-223        | MN                                  | Taconite<br>Intervenors                            | Minnesota Power &<br>Light Co.   | Revenue requirements, O&M<br>expense, Tax Reform Act<br>of 1986.                               |
| 10/87       | 870220-EI                  | FL                                  | Occidental<br>Chemical Corp.                       | Florida Power<br>Corp.           | Revenue requirements, O&M<br>expense, Tax Reform Act<br>of 1986.                               |
| 11/87       | 87-07-01                   | CT                                  | Connecticut Industrial<br>Energy Consumers         | Connecticut Light<br>& Power Co. | Tax Reform Act of 1986.  |
| 1/88        | U-17282                    | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities         | Revenue requirements,<br>River Bend 1 phase-in plan,<br>rate of return.                        |
| 2/88        | 9934                       | KY                                  | Kentucky Industrial<br>Utility Customers           | Louisville Gas<br>& Electric Co. | Economics of Trimble County<br>completion.   |
| 2/88        | 10064                      | KY                                  | Kentucky Industrial<br>Utility Customers           | Louisville Gas<br>& Electric Co. | Revenue requirements, O&M<br>expense, capital structure,<br>excess deferred income taxes.      |
| 5/88        | 10217                      | KY                                  | Alcan Aluminum<br>National Southwire               | Big Rivers Electric<br>Corp.     | Financial workout plan.  |
| 5/88        | M-87017<br>-1C001          | PA                                  | GPU Industrial<br>Intervenors                      | Metropolitan<br>Edison Co.       | Nonutility generator deferred<br>cost recovery.  |
| 5/88        | M-87017<br>-2C005          | PA                                  | GPU Industrial<br>Intervenors                      | Pennsylvania<br>Electric Co.     | Nonutility generator deferred<br>cost recovery.  |
| 6/88        | U-17282                    | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities         | Prudence of River Bend 1<br>economic analyses,<br>cancellation studies,<br>financial modeling. |



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|-------------|--------------------------------|------------------|---|---|--|
| 7/88        | M-87017-<br>-1C001<br>Rebuttal | PA               | GPU Industrial<br>Intervenors                   | Metropolitan<br>Edison Co.                        | Nonutility generator deferred<br>cost recovery, SFAS No. 92  |
| 7/88        | M-87017-<br>-2C005<br>Rebuttal | PA               | GPU Industrial<br>Intervenors                   | Pennsylvania<br>Electric Co.                      | Nonutility generator deferred<br>cost recovery, SFAS No. 92  |
| 9/88        | 88-05-25                       | CT               | Connecticut<br>Industrial Energy<br>Consumers   | Connecticut Light<br>& Power Co.                  | Excess deferred taxes, O&M<br>expenses.  |
| 9/88        | 10064<br>Rehearing             | KY               | Kentucky Industrial<br>Utility Customers        | Louisville Gas<br>& Electric Co.                  | Premature retirements, interest<br>expense.  |
| 10/88       | 88-170-<br>EL-AIR              | OH               | Ohio Industrial<br>Energy Consumers             | Cleveland Electric<br>Illuminating Co.            | Revenue requirements, phase-in,<br>excess deferred taxes, O&M<br>expenses, financial<br>considerations, working capital. |
| 10/88       | 88-171-<br>EL-AIR              | OH               | Ohio Industrial<br>Energy Consumers             | Toledo Edison Co.                                 | Revenue requirements, phase-in,<br>excess deferred taxes, O&M<br>expenses, financial<br>considerations, working capital. |
| 10/88       | 8800<br>355-EI                 | FL               | Florida Industrial<br>Power Users' Group        | Florida Power &<br>Light Co.                      | Tax Reform Act of 1986, tax<br>expenses, O&M expenses,<br>pension expense (SFAS No. 87).                                 |
| 10/88       | 3780-U                         | GA               | Georgia Public<br>Service Commission<br>Staff   | Atlanta Gas Light<br>Co.                          | Pension expense (SFAS No. 87).   |
| 11/88       | U-17282<br>Remand              | LA               | Louisiana Public<br>Service Commission<br>Staff | Gulf States<br>Utilities                          | Rate base exclusion plan<br>(SFAS No. 71)  |
| 12/88       | U-17970                        | LA               | Louisiana Public<br>Service Commission<br>Staff | AT&T Communications<br>of South Central<br>States | Pension expense (SFAS No. 87).   |
| 12/88       | U-17949<br>Rebuttal            | LA               | Louisiana Public<br>Service Commission<br>Staff | South Central<br>Bell                             | Compensated absences (SFAS No.<br>43), pension expense (SFAS No.<br>87), Part 32, income tax<br>normalization.           |

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|----------------|---|------------------|---|---|---|
| 2/89           | U-17282<br>Phase II                         | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Revenue requirements, phase-in<br>of River Bend 1, recovery of<br>canceled plant. |
| 6/89           | 881602-EU<br>890326-EU                      | FL               | Talquin Electric<br>Cooperative                       | Talquin/City<br>of Tallahassee                    | Economic analyses, incremental<br>cost-of-service, average<br>customer rates.     |
| 7/89           | U-17970                                     | LA               | Louisiana Public<br>Service Commission<br>Staff       | AT&T Communications<br>of South Central<br>States | Pension expense (SFAS No. 87),<br>compensated absences (SFAS No. 43),<br>Part 32. |
| 8/89           | 8555  | TX               | Occidental Chemical<br>Corp                           | Houston Lighting<br>& Power Co.                   | Cancellation cost recovery, tax<br>expense, revenue requirements.                 |
| 8/89           | 3840-U                                      | GA               | Georgia Public<br>Service Commission<br>Staff         | Georgia Power Co.                                 | Promotional practices,<br>advertising, economic<br>development.                   |
| 9/89           | U-17282<br>Phase II<br>Detailed             | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Revenue requirements, detailed<br>investigation.                                  |
| 10/89          | 8880  | TX               | Enron Gas Pipeline                                    | Texas-New Mexico<br>Power Co.                     | Deferred accounting treatment,<br>sale/leaseback.                                 |
| 10/89          | 8928  | TX               | Enron Gas<br>Pipeline                                 | Texas-New Mexico<br>Power Co.                     | Revenue requirements, imputed<br>capital structure, cash<br>working capital.      |
| 10/89          | R-891364                                    | PA               | Philadelphia Area<br>Industrial Energy<br>Users Group | Philadelphia<br>Electric Co.                      | Revenue requirements.   |
| 11/89<br>12/89 | R-891364<br>Surrebuttal<br>(2 Filings)      | PA               | Philadelphia Area<br>Industrial Energy<br>Users Group | Philadelphia<br>Electric Co.                      | Revenue requirements,<br>sale/leaseback.  |
| 1/90           | U-17282<br>Phase II<br>Detailed<br>Rebuttal | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Revenue requirements<br>detailed investigation.                                   |

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|-------------|-----------------------|---|--|----------------------------------|---|
| 1/90        | U-17282<br>Phase III  | LA  | Louisiana Public<br>Service Commission<br>Staff  | Gulf States<br>Utilities         | Phase-in of River Bend 1,<br>deregulated asset plan.                        |
| 3/90        | 890319-EI             | FL  | Florida Industrial<br>Power Users Group  | Florida Power<br>& Light Co.     | O&M expenses, Tax Reform<br>Act of 1986.                                    |
| 4/90        | 890319-EI<br>Rebuttal | FL  | Florida Industrial<br>Power Users Group  | Florida Power<br>& Light Co.     | O&M expenses, Tax Reform<br>Act of 1986.                                    |
| 4/90        | U-17282               | LA<br>19 <sup>th</sup> Judicial<br>District Ct. | Louisiana Public<br>Service Commission<br>Staff  | Gulf States<br>Utilities         | Fuel clause, gain on sale<br>of utility assets.                             |
| 9/90        | 90-158                | KY  | Kentucky Industrial<br>Utility Customers   | Louisville Gas &<br>Electric Co. | Revenue requirements, post-test<br>year additions, forecasted test<br>year. |
| 12/90       | U-17282<br>Phase IV   | LA  | Louisiana Public<br>Service Commission<br>Staff  | Gulf States<br>Utilities         | Revenue requirements.   |
| 3/91        | 29327,<br>et. al.     | NY  | Multiple<br>Intervenors  | Niagara Mohawk<br>Power Corp.    | Incentive regulation.   |
| 5/91        | 9945                  | TX  | Office of Public<br>Utility Counsel<br>of Texas  | El Paso Electric<br>Co.          | Financial modeling, economic<br>analyses, prudence of Palo<br>Verde 3.      |
| 9/91        | P-910511<br>P-910512  | PA  | Allegheny Ludlum Corp.,<br>Armco Advanced Materials<br>Co., The West Penn Power<br>Industrial Users' Group | West Penn Power Co.              | Recovery of CAAA costs,<br>least cost financing.                            |
| 9/91        | 91-231<br>-E-NC       | WV  | West Virginia Energy<br>Users Group  | Monongahela Power<br>Co.         | Recovery of CAAA costs, least<br>cost financing.                            |
| 11/91       | U-17282               | LA  | Louisiana Public<br>Service Commission<br>Staff  | Gulf States<br>Utilities         | Asset impairment, deregulated<br>asset plan, revenue require-<br>ments.     |

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|-------------|----------------|------------------|---|-------------------------------------|--|
| 12/91       | 91-410-EL-AIR  | OH               | Air Products and Chemicals, Inc.,<br>Armco Steel Co.,<br>General Electric Co.,<br>Industrial Energy Consumers | Cincinnati Gas & Electric Co.       | Revenue requirements, phase-in plan.   |
| 12/91       | 10200          | TX               | Office of Public Utility Counsel of Texas   | Texas-New Mexico Power Co.          | Financial integrity, strategic planning, declined business affiliations.                                       |
| 5/92        | 910890-EI      | FL               | Occidental Chemical Corp.   | Florida Power Corp.                 | Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning. |
| 8/92        | R-00922314     | PA               | GPU Industrial Intervenor   | Metropolitan Edison Co.             | Incentive regulation, performance rewards, purchased power risk, OPEB expense.                                 |
| 9/92        | 92-043         | KY               | Kentucky Industrial Utility Consumers   | Generic Proceeding                  | OPEB expense.  |
| 9/92        | 920324-EI      | FL               | Florida Industrial Power Users' Group   | Tampa Electric Co.                  | OPEB expense.  |
| 9/92        | 39348          | IN               | Indiana Industrial Group  | Generic Proceeding                  | OPEB expense.  |
| 9/92        | 910840-PU      | FL               | Florida Industrial Power Users' Group   | Generic Proceeding                  | OPEB expense.  |
| 9/92        | 39314          | IN               | Industrial Consumers for Fair Utility Rates   | Indiana Michigan Power Co.          | OPEB expense.  |
| 11/92       | U-19904        | LA               | Louisiana Public Service Commission Staff   | Gulf States Utilities/Entergy Corp. | Merger.  |
| 11/92       | 8649           | MD               | Westvaco Corp.,<br>Eastalco Aluminum Co.  | Potomac Edison Co.                  | OPEB expense.  |
| 11/92       | 92-1715-AU-COI | OH               | Ohio Manufacturers Association  | Generic Proceeding                  | OPEB expense.  |
| 12/92       | R-00922378     | PA               | Armco Advanced  | West Penn Power Co.                 | Incentive regulation,  |

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|-------------|--|-------------------|---|---|---|
|             |  |                   | Materials Co.,<br>The WPP Industrial<br>Intervenors           |   | performance rewards,<br>purchased power risk,<br>OPEB expense.              |
| 12/92       | U-19949                                      | LA                | Louisiana Public<br>Service Commission<br>Staff               | South Central Bell  | Affiliate transactions,<br>cost allocations, merger.                        |
| 12/92       | R-00922479                                   | PA                | Philadelphia Area<br>Industrial Energy<br>Users' Group        | Philadelphia<br>Electric Co.                              | OPEB expense.   |
| 1/93        | 8487   | MD                | Maryland Industrial<br>Group                                  | Baltimore Gas &<br>Electric Co.,<br>Bethlehem Steel Corp. | OPEB expense, deferred<br>fuel, CWIP in rate base                           |
| 1/93        | 39498  | IN                | PSI Industrial Group  | PSI Energy, Inc.  | Refunds due to over-<br>collection of taxes on<br>Marble Hill cancellation. |
| 3/93        | 92-11-11                                     | CT                | Connecticut Industrial<br>Energy Consumers                    | Connecticut Light<br>& Power Co.                          | OPEB expense.   |
| 3/93        | U-19904<br>(Surrebuttal)                     | LA                | Louisiana Public<br>Service Commission<br>Staff               | Gulf States<br>Utilities/Entergy                          | Merger.<br><br>Corp.  |
| 3/93        | 93-01<br>EL-EFC                              | OH                | Ohio Industrial<br>Energy Consumers                           | Ohio Power Co.  | Affiliate transactions, fuel.   |
| 3/93        | EC92-<br>21000<br>ER92-806-000               | FERC              | Louisiana Public<br>Service Commission<br>Staff               | Gulf States<br>Utilities/Entergy<br>Corp.                 | Merger.   |
| 4/93        | 92-1464-<br>EL-AIR                           | OH                | Air Products<br>Armco Steel<br>Industrial Energy<br>Consumers | Cincinnati Gas &<br>Electric Co.                          | Revenue requirements,<br>phase-in plan.                                     |
| 4/93        | EC92-<br>21000<br>ER92-806-000<br>(Rebuttal) | FERC              | Louisiana Public<br>Service Commission<br>Staff               | Gulf States<br>Utilities/Entergy<br>Corp.                 | Merger.   |
| 9/93        | 93-113                                       | KY                | Kentucky Industrial<br>Utility Customers                      | Kentucky Utilities  | Fuel clause and coal contract<br>refund.                                    |

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|-------------|---|------------------|--|--|---|
| 9/93        | 92-490,<br>92-490A,<br>90-360-C                       | KY               | Kentucky Industrial<br>Utility Customers and<br>Kentucky Attorney<br>General | Big Rivers Electric<br>Corp.   | Disallowances and restitution for<br>excessive fuel costs, illegal and<br>improper payments, recovery of mine<br>closure costs. |
| 10/93       | U-17735   | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Cajun Electric Power<br>Cooperative                                      | Revenue requirements, debt<br>restructuring agreement, River Bend<br>cost recovery.   |
| 1/94        | U-20647   | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Gulf States<br>Utilities Co.   | Audit and investigation into fuel<br>clause costs.  |
| 4/94        | U-20647<br>(Surrebuttal)                              | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Gulf States<br>Utilities   | Nuclear and fossil unit<br>performance, fuel costs,<br>fuel clause principles and<br>guidelines.                                |
| 5/94        | U-20178   | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Louisiana Power &<br>Light Co.   | Planning and quantification issues<br>of least cost integrated resource<br>plan.  |
| 9/94        | U-19904<br>Initial Post-<br>Merger Earnings<br>Review | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Gulf States<br>Utilities Co.   | River Bend phase-in plan,<br>deregulated asset plan, capital<br>structure, other revenue<br>requirement issues.                 |
| 9/94        | U-17735   | LA               | Louisiana Public<br>Service Commission<br>Staff                              | Cajun Electric<br>Power Cooperative<br>other revenue requirement issues. | G&T cooperative ratemaking<br>policies, exclusion of River Bend,  |
| 10/94       | 3905-U  | GA               | Georgia Public<br>Service Commission<br>Staff                                | Southern Bell<br>Telephone Co.   | Incentive rate plan, earnings<br>review.  |
| 10/94       | 5258-U  | GA               | Georgia Public<br>Service Commission<br>Staff                                | Southern Bell<br>Telephone Co.   | Alternative regulation, cost<br>allocation.   |

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|-------------|---|-------------------|--|------------------------------------|--|
| 11/94       | U-19904<br>Initial Post-Merger Earnings Review (Rebuttal) | LA                | Louisiana Public Service Commission Staff                  | Gulf States Utilities Co.          | River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.                               |
| 11/94       | U-17735 (Rebuttal)  | LA                | Louisiana Public Service Commission Staff                  | Cajun Electric Power Cooperative   | G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.  |
| 4/95        | R-00943271  | PA                | PP&L Industrial Customer Alliance                          | Pennsylvania Power & Light Co.     | Revenue requirements. Fossil dismantling, nuclear decommissioning.   |
| 6/95        | 3905-U  | GA                | Georgia Public Service Commission                          | Southern Bell Telephone Co.        | Incentive regulation, affiliate transactions, revenue requirements, rate refund.   |
| 6/95        | U-19904 (Direct)  | LA                | Louisiana Public Service Commission                        | Gulf States Utilities Co.          | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.   |
| 10/95       | 95-02614  | TN                | Tennessee Office of the Attorney General Consumer Advocate | BellSouth Telecommunications, Inc. | Affiliate transactions.  |
| 10/95       | U-21485 (Direct)  | LA                | Louisiana Public Service Commission                        | Gulf States Utilities Co.          | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 11/95       | U-19904 (Surrebuttal)                                     | LA                | Louisiana Public Service Commission                        | Gulf States Utilities Co. Division | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.   |
| 11/95       | U-21485 (Supplemental Direct)                             | LA                | Louisiana Public Service Commission                        | Gulf States Utilities Co.          | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 12/95       | U-21485 (Surrebuttal)                                     |                   |  |                                    |  |

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|---------------|----------------------------------|---------------------|---|---|---|
| 1/96          | 95-299-EL-AIR<br>95-300-EL-AIR   | OH                  | Industrial Energy Consumers   | The Toledo Edison Co.<br>The Cleveland Electric Illuminating Co.                        | Competition, asset writeoffs and revaluation, O&M expense, other revenue requirement issues.  |
| 2/96          | PUC No. 14967                    | TX                  | Office of Public Utility Counsel  | Central Power & Light   | Nuclear decommissioning.  |
| 5/96          | 95-485-LCS                       | NM                  | City of Las Cruces  | El Paso Electric Co.  | Stranded cost recovery, municipalization.   |
| 7/96          | 8725                             | MD                  | The Maryland Industrial Group and Redland Genstar, Inc.                         | Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp. | Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.  |
| 9/96<br>11/96 | U-22092<br>U-22092 (Surrebuttal) | LA                  | Louisiana Public Service Commission Staff                                       | Entergy Gulf States, Inc.   | River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs. |
| 10/96         | 96-327                           | KY                  | Kentucky Industrial Utility Customers, Inc.                                     | Big Rivers Electric Corp.   | Environmental surcharge recoverable costs.  |
| 2/97          | R-00973877                       | PA                  | Philadelphia Area Industrial Energy Users Group                                 | PECO Energy Co.   | Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.  |
| 3/97          | 96-489                           | KY                  | Kentucky Industrial Utility Customers, Inc.                                     | Kentucky Power Co.  | Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.   |
| 6/97          | TO-97-397                        | MO                  | MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc. | Southwestern Bell Telephone Co.   | Price cap regulation, revenue requirements, rate of return.   |



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|-------------|--------------------------|------------------|---|--|--|
| 6/97        | R-00973953               | PA               | Philadelphia Area Industrial Energy Users Group | PECO Energy Co.  | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.                       |
| 7/97        | R-00973954               | PA               | PP&L Industrial Customer Alliance               | Pennsylvania Power & Light Co.                           | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.                       |
| 7/97        | U-22092                  | LA               | Louisiana Public Service Commission Staff       | Entergy Gulf States, Inc.                                | Depreciation rates and methodologies, River Bend phase-in plan.  |
| 8/97        | 97-300                   | KY               | Kentucky Industrial Utility Customers, Inc.     | Louisville Gas & Electric Co. and Kentucky Utilities Co. | Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.  |
| 8/97        | R-00973954 (Surrebuttal) | PA               | PP&L Industrial Customer Alliance               | Pennsylvania Power & Light Co.                           | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.                       |
| 10/97       | 97-204                   | KY               | Alcan Aluminum Corp. Southwire Co.              | Big Rivers Electric Corp.                                | Restructuring, revenue requirements, reasonableness  |
| 10/97       | R-974008                 | PA               | Metropolitan Edison Industrial Users Group      | Metropolitan Edison Co.                                  | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |
| 10/97       | R-974009                 | PA               | Penelec Industrial Customer Alliance            | Pennsylvania Electric Co.                                | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |
| 11/97       | 97-204 (Rebuttal)        | KY               | Alcan Aluminum Corp. Southwire Co.              | Big Rivers Electric Corp.                                | Restructuring, revenue requirements, reasonableness of rates, cost allocation.   |

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|-------------|--------------------------|------------------|---|---------------------------|--|
| 11/97       | U-22491                  | LA               | Louisiana Public Service Commission             | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues.  |
| 11/97       | R-00973953 (Surrebuttal) | PA               | Philadelphia Area Industrial Energy Users Group | PECO Energy Co.           | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.                                       |
| 11/97       | R-973981                 | PA               | West Penn Power Industrial Intervenors          | West Penn Power Co.       | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.             |
| 11/97       | R-974104                 | PA               | Duquesne Industrial Intervenors                 | Duquesne Light Co.        | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization. |
| 12/97       | R-973981 (Surrebuttal)   | PA               | West Penn Power Industrial Intervenors          | West Penn Power Co.       | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.                             |
| 12/97       | R-974104 (Surrebuttal)   | PA               | Duquesne Industrial Intervenors                 | Duquesne Light Co.        | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization. |
| 1/98        | U-22491 (Surrebuttal)    | LA               | Louisiana Public Service Commission Staff       | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues.  |
| 2/98        | 8774                     | MD               | Westvaco  | Potomac Edison Co.        | Merger of Duquesne, AE, customer safeguards, savings sharing.  |

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|-------------|---|-------------------|--|-------------------------------------|---|
| 3/98        | U-22092<br>(Allocated<br>Stranded Cost Issues)                  | LA                | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Restructuring, stranded costs,<br>regulatory assets, securitization,<br>regulatory mitigation.                    |
| 3/98        | 8390-U  | GA                | Georgia Natural<br>Gas Group,<br>Georgia Textile<br>Manufacturers Assoc. | Atlanta Gas<br>Light Co.            | Restructuring, unbundling,<br>stranded costs, incentive<br>regulation, revenue<br>requirements.                   |
| 3/98        | U-22092<br>(Allocated<br>Stranded Cost Issues)<br>(Surrebuttal) | LA                | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Restructuring, stranded costs,<br>regulatory assets, securitization,<br>regulatory mitigation.                    |
| 10/98       | 97-596  | ME                | Maine Office of the<br>Public Advocate                                   | Bangor Hydro-<br>Electric Co.       | Restructuring, unbundling, stranded<br>costs, T&D revenue requirements.   |
| 10/98       | 9355-U  | GA                | Georgia Public Service<br>Commission Adversary Staff                     | Georgia Power Co.                   | Affiliate transactions.   |
| 10/98       | U-17735   | LA                | Louisiana Public<br>Service Commission<br>Staff                          | Cajun Electric<br>Power Cooperative | G&T cooperative ratemaking<br>policy, other revenue requirement<br>issues.  |
| 11/98       | U-23327   | LA                | Louisiana Public<br>Service Commission<br>Staff                          | SWEPCO, CSW and<br>AEP              | Merger policy, savings sharing<br>mechanism, affiliate transaction<br>conditions.                                 |
| 12/98       | U-23358<br>(Direct)   | LA                | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Allocation of regulated and<br>nonregulated costs, tax issues,<br>and other revenue requirement<br>issues.        |
| 12/98       | 98-577  | ME                | Maine Office of<br>Public Advocate                                       | Maine Public<br>Service Co.         | Restructuring, unbundling,<br>stranded cost, T&D revenue<br>requirements.   |
| 1/99        | 98-10-07  | CT                | Connecticut Industrial<br>Energy Consumers                               | United Illuminating<br>Co.          | Stranded costs, investment tax<br>credits, accumulated deferred<br>income taxes, excess deferred<br>income taxes. |

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| 3/99        | U-23358<br>(Surrebuttal)                                  | LA               | Louisiana Public<br>Service Commission<br>Staff                    | Entergy Gulf<br>States, Inc.           | Allocation of regulated and<br>nonregulated costs, tax issues,<br>and other revenue requirement<br>issues. |
| 3/99        | 98-474  | KY               | Kentucky Industrial<br>Utility Customers                           | Louisville Gas<br>and Electric Co.     | Revenue requirements, alternative<br>forms of regulation.  |
| 3/99        | 98-426  | KY               | Kentucky Industrial<br>Utility Customers                           | Kentucky Utilities<br>Co.              | Revenue requirements, alternative<br>forms of regulation.  |
| 3/99        | 99-082  | KY               | Kentucky Industrial<br>Utility Customers                           | Louisville Gas<br>and Electric Co.     | Revenue requirements.  |
| 3/99        | 99-083  | KY               | Kentucky Industrial<br>Utility Customers                           | Kentucky Utilities<br>Co.              | Revenue requirements.  |
| 4/99        | U-23358<br>(Supplemental<br>Surrebuttal)                  | LA               | Louisiana Public<br>Service Commission<br>Staff                    | Entergy Gulf<br>States, Inc.           | Allocation of regulated and<br>nonregulated costs, tax issues,<br>and other revenue requirement<br>issues. |
| 4/99        | 99-03-04  | CT               | Connecticut Industrial<br>Energy Consumers<br>mechanisms.          | United Illuminating<br>Co.             | Regulatory assets and liabilities,<br>stranded costs, recovery   |
| 4/99        | 99-02-05  | CT               | Connecticut Industrial<br>Utility Customers<br>mechanisms.         | Connecticut Light<br>and Power Co.     | Regulatory assets and liabilities<br>stranded costs, recovery  |
| 5/99        | 98-426<br>99-082<br>(Additional Direct)                   | KY               | Kentucky Industrial<br>Utility Customers                           | Louisville Gas<br>and Electric Co.     | Revenue requirements.  |
| 5/99        | 98-474<br>99-083<br>(Additional<br>Direct)                | KY               | Kentucky Industrial<br>Utility Customers                           | Kentucky Utilities<br>Co.              | Revenue requirements.  |
| 5/99        | 98-426<br>98-474<br>(Response to<br>Amended Applications) | KY               | Kentucky Industrial<br>Utility Customers<br>Kentucky Utilities Co. | Louisville Gas<br>and Electric Co. and | Alternative regulation.  |
| 6/99        | 97-596  | ME               | Maine Office of  | Bangor Hydro-                          | Request for accounting   |

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|             |                                |                  | Public Advocate                             | Electric Co.  | order regarding electric industry restructuring costs.               |
| 6/99        | U-23358                        | LA               | Louisiana Public Public Service Comm. Staff | Entergy Gulf States, Inc.   | Affiliate transactions, cost allocations.                            |
| 7/99        | 99-03-35                       | CT               | Connecticut Industrial Energy Consumers     | United Illuminating Co.   | Stranded costs, regulatory assets, tax effects of asset divestiture. |
| 7/99        | U-23327                        | LA               | Louisiana Public Service Commission Staff   | Southwestern Electric Power Co., Central and South West Corp, and American Electric Power Co. | Merger Settlement Stipulation.                                       |
| 7/99        | 97-596<br>(Surrebuttal)        | ME               | Maine Office of Public Advocate             | Bangor Hydro-Electric Co.   | Restructuring, unbundling, stranded cost, T&D revenue requirements.  |
| 7/99        | 98-0452-E-GI                   | WVa              | West Virginia Energy Users Group            | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power                          | Regulatory assets and liabilities.                                   |
| 8/99        | 98-577<br>(Surrebuttal)        | ME               | Maine Office of Public Advocate             | Maine Public Service Co.  | Restructuring, unbundling, stranded costs, T&D revenue requirements. |
| 8/99        | 98-426<br>99-082<br>(Rebuttal) | KY               | Kentucky Industrial Utility Customers       | Kentucky Utilities Co.  | Revenue requirements.  |
| 8/99        | 98-474<br>98-083<br>(Rebuttal) | KY               | Kentucky Industrial Utility Customers       | Louisville Gas and Electric Co. and Kentucky Utilities Co.                                    | Alternative forms of regulation.                                     |
| 8/99        | 98-0452-E-GI<br>(Rebuttal)     | WVa              | West Virginia Energy Users Group            | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power                          | Regulatory assets and liabilities.                                   |

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|-------------|--|----------------|--|---|---|
| 10/99       | U-24182<br>(Direct)  | LA             | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Allocation of regulated and<br>nonregulated costs, affiliate<br>transactions, tax issues,<br>and other revenue requirement<br>issues. |
| 11/99       | 21527  | TX             | Dallas-Ft. Worth<br>Hospital Council and<br>Coalition of Independent<br>Colleges and Universities          | TXU Electric  | Restructuring, stranded<br>costs, taxes, securitization.  |
| 11/99       | U-23358<br>Surrebuttal<br>Affiliate<br>Transactions Review | LA             | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Service company affiliate<br>transaction costs.   |
| 04/00       | 99-1212-EL-ETPOH<br>99-1213-EL-ATA<br>99-1214-EL-AAM       |                | Greater Cleveland<br>Growth Association  | First Energy (Cleveland<br>Electric Illuminating,<br>Toledo Edison) | Historical review, stranded costs,<br>regulatory assets, liabilities.   |
| 01/00       | U-24182<br>(Surrebuttal)                                   | LA             | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Allocation of regulated and<br>nonregulated costs, affiliate<br>transactions, tax issues,<br>and other revenue requirement<br>issues. |
| 05/00       | 2000-107   | KY             | Kentucky Industrial<br>Utility Customers   | Kentucky Power Co.  | ECR surcharge roll-in to base rates.  |
| 05/00       | U-24182<br>(Supplemental Direct)                           | LA             | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Affiliate expense<br>proforma adjustments.  |
| 05/00       | A-110550F0147 PA   |                | Philadelphia Area<br>Industrial Energy<br>Users Group  | PECO Energy   | Merger between PECO and Unicom.   |
| 07/00       | 22344  | TX             | The Dallas-Fort Worth<br>Hospital Council and The<br>Coalition of Independent<br>Colleges and Universities | Statewide Generic<br>Proceeding                                     | Escalation of O&M expenses for<br>unbundled T&D revenue requirements<br>in projected test year.                                       |
| 05/00       | 99-1658-<br>EL-ETP   | OH             | AK Steel Corp.   | Cincinnati Gas & Electric Co.                                       | Regulatory transition costs, including<br>regulatory assets and liabilities, SFAS<br>109, ADIT, EDIT, ITC.                            |

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| 07/00       | U-21453   | LA               | Louisiana Public Service Commission  | SWEPCO   | Stranded costs, regulatory assets and liabilities.  |
| 08/00       | U-24064   | LA               | Louisiana Public Service Commission Staff  | CLECO  | Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.                            |
| 10/00       | PUC 22350<br>SOAH 473-00-1015                                     | TX               | The Dallas-Ft. Worth Hospital Council and The Coalition of Independent Colleges And Universities | TXU Electric Co.                                     | Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.   |
| 10/00       | R-00974104<br>(Affidavit)   | PA               | Duquesne Industrial Intervenor   | Duquesne Light Co.                                   | Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding. |
| 11/00       | P-00001837<br>R-00974008<br>P-00001838<br>R-00974009              |                  | Metropolitan Edison Industrial Users Group<br>Penelec Industrial Customer Alliance               | Metropolitan Edison Co.<br>Pennsylvania Electric Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.        |
| 12/00       | U-21453,<br>U-20925, U-22092<br>(Subdocket C)<br>(Surrebuttal)    | LA               | Louisiana Public Service Commission Staff  | SWEPCO   | Stranded costs, regulatory assets.  |
| 01/01       | U-24993<br>(Direct)   |                  | Louisiana Public Service Commission Staff  | Entergy Gulf States, Inc.                            | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.   |
| 01/01       | U-21453, U-20925<br>and U-22092<br>(Subdocket B)<br>(Surrebuttal) |                  | Louisiana Public Service Commission Staff  | Entergy Gulf States, Inc.,                           | Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.                                    |
| 01/01       | Case No. 2000-386   | KY               | Kentucky Industrial Utility Customers, Inc.  | Louisville Gas & Electric Co.                        | Recovery of environmental costs, surcharge mechanism.   |
| 01/01       | Case No. 2000-439   | KY               | Kentucky Industrial Utility Customers, Inc.  | Kentucky Utilities Co.                               | Recovery of environmental costs, surcharge mechanism.   |

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| 02/01             | A-110300F0095 PA<br>A-110400F0040   |                  | Met-Ed Industrial<br>Users Group<br>Penelec Industrial<br>Customer Alliance | PU, Inc.<br>FirstEnergy                                     | Merger, savings, reliability.   |
| 03/01             | P-00001860 PA<br>P-00001861   |                  | Met-Ed Industrial<br>Users Group<br>Penelec Industrial<br>Customer Alliance | Metropolitan Edison<br>Co. and Pennsylvania<br>Electric Co. | Recovery of costs due to<br>provider of last resort obligation.   |
| 04 /01            | U-21453,<br>U-20925,<br>U-22092<br>(Subdocket B)<br>Settlement Term Sheet   | LA               | Louisiana Public<br>Public Service Comm.<br>Staff                           | Entergy Gulf<br>States, Inc.                                | Business separation plan:<br>settlement agreement on overall plan structure.  |
| 04 /01            | U-21453,<br>U-20925,<br>U-22092<br>(Subdocket B)<br>Contested Issues  | LA               | Louisiana Public<br>Public Service Comm.<br>Staff                           | Entergy Gulf<br>States, Inc.                                | Business separation plan:<br>agreements, hold harmless conditions,<br>separations methodology.  |
| 05 /01            | U-21453,<br>U-20925,<br>U-22092<br>(Subdocket B)<br>Contested Issues<br>Transmission and Distribution<br>(Rebuttal) | LA               | Louisiana Public<br>Public Service Comm.<br>Staff                           | Entergy Gulf<br>States, Inc.                                | Business separation plan:<br>agreements, hold harmless conditions,<br>Separations methodology.  |
| 07/01             | U-21453,<br>U-20925,<br>U-22092<br>(Subdocket B)<br>Transmission and Distribution Term Sheet                        | LA               | Louisiana Public<br>Public Service Comm.<br>Staff                           | Entergy Gulf<br>States, Inc.                                | Business separation plan: settlement<br>agreement on T&D issues, agreements<br>necessary to implement T&D separations,<br>hold harmless conditions, separations<br>methodology. |
| 10/01             | 14000-U   | GA               | Georgia Public<br>Service Commission<br>Adversary Staff                     | Georgia Power Co.   | Review requirements, Rate Plan, fuel<br>clause recovery.  |
| 11/01<br>(Direct) | 14311-U   | GA               | Georgia Public<br>Service Commission<br>Adversary Staff                     | Atlanta Gas Light Co.                                       | Revenue requirements, revenue forecast,<br>O&M expense, depreciation, plant additions,<br>cash working capital.   |



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|-------------------------------------|---|---------------------|--|--|--|
| 11/01<br>(Direct)                   | U-25687                                       | LA                  | Louisiana Public Service Commission  | Entergy Gulf States, Inc.                                  | Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.      |
| 02/02                               | 25230   | TX                  | Dallas Ft.-Worth Hospital Council & the Coalition of Independent Colleges & Universities | TXU Electric   | Stipulation. Regulatory assets, securitization financing.  |
| 02/02<br>(Surrebuttal)              | U-25687                                       | LA                  | Louisiana Public Service Commission  | Entergy Gulf States, Inc.                                  | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.                             |
| 03/02<br>(Rebuttal)                 | 14311-U                                       | GA                  | Georgia Public Service Commission Adversary Staff  | Atlanta Gas Light Co.                                      | Revenue requirements, earnings sharing plan, service quality standards.  |
| 03/02                               | 001148-EI                                     | FL                  | South Florida Hospital and Healthcare Assoc.   | Florida Power & Light Co.                                  | Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense. |
| 04/02<br>(Supplemental Surrebuttal) | U-25687                                       | LA                  | Louisiana Public Service Commission  | Entergy Gulf States, Inc.                                  | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.                             |
| 04/02                               | U-21453, U-20925 and U-22092<br>(Subdocket C) |                     | Louisiana Public Service Commission Staff  | SWEPCO   | Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.                   |
| 08/02                               | EL01-88-000                                   | FERC                | Louisiana Public Service Commission Staff  | Entergy Services, Inc. and The Entergy Operating Companies | System Agreement, production cost equalization, tariffs.   |
| 08/02                               | U-25888                                       | LA                  | Louisiana Public Service Commission  | Entergy Gulf States, Inc. and Entergy Louisiana, Inc.      | System Agreement, production cost disparities, prudence.   |
| 09/02                               | 2002-00224<br>2002-00225                      | KY                  | Kentucky Industrial Utilities Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric Co.    | Line losses and fuel clause recovery associated with off-system sales.   |
| 11/02                               | 2002-00146<br>2002-00147                      | KY                  | Kentucky Industrial Utilities Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric Co.    | Environmental compliance costs and surcharge recovery.   |
| 01/03                               | 2002-00169                                    | KY                  | Kentucky Industrial Utilities Customers, Inc.  | Kentucky Power Co.   | Environmental compliance costs and surcharge recovery.   |

**Expert Testimony Appearances  
of  
Lane Kollen  
As of October 2005**

| <b>Date</b> | <b>Case</b>   | <b>Jurisdic.</b> | <b>Party</b>                                    | <b>Utility</b>   | <b>Subject</b>   |
|-------------|---|------------------|---|--|--|
| 04/03       | 2002-00429<br>2002-00430  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric Co.  | Extension of merger surcredit,<br>flaws in Companies' studies.   |
| 04/03       | U-26527   | LA               | Louisiana Public<br>Service Commission          | Entergy Gulf States, Inc.  | Revenue requirements, corporate<br>franchise tax, conversion to LLC,<br>Capital structure, post test year<br>Adjustments.      |
| 06/03       | EL01-<br>88-000<br>Rebuttal   | FERC             | Louisiana Public<br>Service Commission<br>Staff | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies   | System Agreement, production cost<br>equalization, tariffs.  |
| 06/03       | 2003-00068  | KU               | Kentucky Industrial<br>Utility Customers        | Kentucky Utilities Co.   | Environmental cost recovery,<br>correction of base rate error.   |
| 11/03       | ER03-753-000  | FERC             | Louisiana Public<br>Service Commission<br>Staff | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies   | Unit power purchases and sale<br>cost-based tariff pursuant to System<br>Agreement.  |
| 11/03       | ER03-583-000, FERC<br>ER03-583-001, and<br>ER03-583-002<br><br>ER03-681-000,<br>ER03-681-001<br><br>ER03-682-000,<br>ER03-682-001, and<br>ER03-682-002<br><br>ER03-744-000,<br>ER03-744-001<br>(Consolidated) | FERC             | Louisiana Public<br>Service Commission          | Entergy Services, Inc.,<br>the Entergy Operating<br>Companies, EWO Market-<br>Ing, L.P, and Entergy<br>Power, Inc. | Unit power purchase and sale<br>agreements, contractual provisions,<br>projected costs, levelized rates, and<br>formula rates. |
| 12/03       | U-26527<br>Surrebuttal  | LA               | Louisiana Public<br>Service Commission          | Entergy Gulf States, Inc.  | Revenue requirements, corporate<br>franchise tax, conversion to LLC,<br>Capital structure, post test year<br>adjustments.      |
| 12/03       | 2003-0334<br>2003-0335  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric Co.  | Earnings Sharing Mechanism.  |
| 12/03       | U-27136   | LA               | Louisiana Public<br>Service Commission          | Entergy Louisiana, Inc.  | Purchased power contracts<br>between affiliates, terms and<br>conditions.  |

**Expert Testimony Appearances  
of  
Lane Kollen  
As of October 2005**

| <b>Date</b> | <b>Case</b>   | <b>Jurisdct.</b> | <b>Party</b>                                    | <b>Utility</b>                                  | <b>Subject</b>   |
|-------------|---|------------------|---|---|--|
| 03/04       | U-26527<br>Supplemental<br>Surrebuttal                              | LA               | Louisiana Public<br>Service Commission          | Entergy Gulf States, Inc.                       | Revenue requirements, corporate<br>franchise tax, conversion to LLC,<br>capital structure, post test year<br>adjustments.                                |
| 03/04       | 2003-00433  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Louisville Gas & Electric Co.                   | Revenue requirements, depreciation rates,<br>O&M expense, deferrals and amortization,<br>earnings sharing mechanism, merger<br>surcredit, VDT surcredit. |
| 03/04       | 2003-00434  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.                          | Revenue requirements, depreciation rates,<br>O&M expense, deferrals and amortization,<br>earnings sharing mechanism, merger<br>surcredit, VDT surcredit. |
| 03/04       | SOAH Docket<br>473-04-2459,<br>PUC Docket<br>29206                  | TX               | Cities Served by Texas-<br>New Mexico Power Co. | Texas-New Mexico<br>Power Co.                   | Stranded costs true-up, including<br>including valuation issues,<br>ITC, ADIT, excess earnings.  |
| 05/04       | 04-169-EL-  | OH               | Ohio Energy Group, Inc.                         | Columbus Southern Power Co.<br>& Ohio Power Co. | Rate stabilization plan, deferrals, T&D<br>rate increases, earnings.   |
| 06/04       | SOAH Docket<br>473-04-4555<br>PUC Docket<br>29526                   | TX               | Houston Council for<br>Health and Education     | CenterPoint<br>Energy Houston Electric          | Stranded costs true-up, including<br>valuation issues, ITC, EDIT, excess<br>mitigation credits, capacity auction<br>true-up revenues, interest.          |
| 08/04       | SOAH Docket<br>473-04-4556<br>PUC Docket<br>29526<br>(Suppl Direct) | TX               | Houston Council for<br>Health and Education     | CenterPoint<br>Energy Houston Electric          | Interest on stranded cost pursuant to<br>Texas Supreme Court remand.   |
| 09/04       | Docket No.<br>U-23327<br>Subdocket B                                | LA               | Louisiana Public<br>Service Commission          | SWEPCO  | Fuel and purchased power expenses<br>recoverable through fuel adjustment clause,<br>trading activities, compliance with terms of<br>various LPSC Orders. |
| 10/04       | Docket No.<br>U-23327<br>Subdocket A                                | LA               | Louisiana Public<br>Service Commission          | SWEPCO  | Revenue requirements.  |

**Expert Testimony Appearances  
of  
Lane Kollen  
As of October 2005**

| <b>Date</b> | <b>Case</b>                                      | <b>Jurisdic.</b> | <b>Party</b>                                    | <b>Utility</b>   | <b>Subject</b>  |
|-------------|--|------------------|---|--|---|
| 12/04       | Case No.<br>2004-00321<br>Case No.<br>2004-00372 | KY               | Gallatin Steel Co.                              | East Kentucky Power<br>Cooperative, Inc.,<br>Big Sandy RECC, etal. | Environmental cost recovery, qualified costs,<br>TIER requirements, cost allocation.  |
| 02/05       | 18638-U  | GA               | Georgia Public<br>Service Commission            | Atlanta Gas Light Co.  | Revenue requirements.   |
| 02/05       | 18638-U<br>Panel with<br>Tony Wackerly           | GA               | Georgia Public<br>Service Commission            | Atlanta Gas Light Co.  | Comprehensive rate plan,<br>pipeline replacement program<br>surcharge, performance based rate plan.   |
| 02/05       | 18638-U<br>Panel with<br>Michelle Thebert        | GA               | Georgia Public<br>Service Commission            | Atlanta Gas Light Co.  | Energy conservation, economic<br>development, and tariff issues.  |
| 03/05       | Case No.<br>2004-00426<br>Case No.<br>2004-00421 | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric                | Environmental cost recovery, Jobs<br>Creation Act of 2004 and § 199 deduction,<br>excess common equity ratio, deferral and<br>amortization of nonrecurring O&M expense.                           |
| 06/05       | 2005-00068                                       | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Power Co.   | Environmental cost recovery, Jobs Creation<br>Act of 2004 and §199 deduction, margins<br>on allowances used for AEP System sales.   |
| 06/05       | 050045-EI  | FL               | South Florida Hospital<br>and Healthcare Assoc. | Florida Power &<br>Light Co.                                       | Storm damage expense and reserve,<br>RTO costs, O&M expense projections,<br>return on equity performance incentive,<br>capital structure, selective second phase<br>post-test year rate increase. |
| 09/05       | 20298-U  | GA               | Georgia Public<br>Service Commission            | Atmos Energy Corp.   | Revenue requirements, roll-in of surcharges,<br>cost recovery through surcharge, reporting<br>requirements.   |
| 09/05       | 20298-U<br>Panel with<br>Victoria Taylor         | GA               | Georgia Public .<br>Service Commission          | Atmos Energy Corp.   | Affiliate transactions, cost allocations,<br>capitalization, cost of debt.  |

# EXHIBIT

# B

10/30/2001 17:37  
Exhibit B

Confidential for Settlement Purposes Only  
Louisville Gas & Electric and Kentucky Utilities Co.  
VDI Settlement Surcredit

| Line                               | Company/Elec/Gas | Period:                     | Dec<br>2001 | 2002    | 2003    | 2004    | 2005    | Jan-Mar<br>2006 | Total    | Line    |    |
|------------------------------------|------------------|-----------------------------|-------------|---------|---------|---------|---------|-----------------|----------|---------|----|
| 1                                  | LGE Electric     | Est Savings                 | \$ 12.7     | \$ 26.7 | \$ 35.5 | \$ 38.0 | \$ 40.6 | \$ 10.5         | \$ 164.0 | 1       |    |
| 2                                  |                  | Cost Amortization           | 10.0        | 24.6    | 24.6    | 24.6    | 24.6    | 6.2             | 114.6    | 2       |    |
| 3                                  |                  | Net Amount                  | 2.7         | 2.1     | 10.9    | 13.4    | 16.0    | 4.3             | 49.4     | 3       |    |
| 4                                  |                  |                             |             |         |         |         |         |                 |          | 4       |    |
| 5                                  |                  | Net savings to customers    | 40%         | \$ 1.1  | \$ 0.8  | \$ 4.4  | \$ 5.4  | \$ 6.4          | \$ 1.7   | \$ 19.8 | 5  |
| 6                                  |                  | Net savings to shareholders | 60%         | \$ 1.6  | \$ 1.3  | \$ 6.5  | \$ 8.0  | \$ 9.6          | \$ 2.6   | \$ 29.6 | 6  |
| 7                                  |                  |                             |             |         |         |         |         |                 |          | 7       |    |
| 8                                  |                  |                             |             |         |         |         |         |                 |          | 8       |    |
| 9                                  | LGE Gas          | Est Savings                 | \$ 3.3      | \$ 6.9  | \$ 9.2  | \$ 9.9  | \$ 10.6 | \$ 2.7          | \$ 42.6  | 9       |    |
| 10                                 |                  | Cost Amortization           | 3.0         | 6.3     | 6.3     | 6.3     | 6.3     | 1.6             | 29.8     | 10      |    |
| 11                                 |                  | Net Amount                  | 0.3         | 0.6     | 2.9     | 3.6     | 4.3     | 1.1             | 12.8     | 11      |    |
| 12                                 |                  |                             |             |         |         |         |         |                 |          | 12      |    |
| 13                                 |                  | Net savings to customers    | 40%         | \$ 0.1  | \$ 0.2  | \$ 1.2  | \$ 1.4  | \$ 1.7          | \$ 0.4   | \$ 5.1  | 13 |
| 14                                 |                  | Net savings to shareholders | 60%         | \$ 0.2  | \$ 0.4  | \$ 1.7  | \$ 2.2  | \$ 2.6          | \$ 0.7   | \$ 7.7  | 14 |
| 15                                 |                  |                             |             |         |         |         |         |                 |          | 15      |    |
| 16                                 |                  |                             |             |         |         |         |         |                 |          | 16      |    |
| 17                                 | KU Electric      | Est Savings                 | \$ 6.2      | \$ 13.1 | \$ 17.4 | \$ 18.7 | \$ 19.9 | \$ 5.1          | \$ 80.4  | 17      |    |
| 18                                 |                  | Cost Amortization           | 5.0         | 12.1    | 12.1    | 12.1    | 12.1    | 2.9             | 56.3     | 18      |    |
| 19                                 |                  | Net Amount                  | 1.2         | 1.0     | 5.3     | 6.6     | 7.8     | 2.2             | 24.1     | 19      |    |
| 20                                 |                  |                             |             |         |         |         |         |                 |          | 20      |    |
| 21                                 |                  | Net savings to customers    | 40%         | \$ 0.5  | \$ 0.4  | \$ 2.1  | \$ 2.6  | \$ 3.1          | \$ 0.9   | \$ 9.6  | 21 |
| 22                                 |                  | Net savings to shareholders | 60%         | \$ 0.7  | \$ 0.6  | \$ 3.2  | \$ 4.0  | \$ 4.7          | \$ 1.3   | \$ 14.5 | 22 |
| Total Net Savings to All Customers |                  |                             | \$ 1.7      | \$ 1.5  | \$ 7.6  | \$ 9.4  | \$ 11.2 | \$ 3.0          | \$ 34.5  |         |    |

**Response to PSC Question No. 15**

**Page 1 of 3**

**Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2003-00433**

**Response to Third Data Request of the Commission Staff**

**Dated March 1, 2004**

**Question No. 15**

**Responding Witness: Valerie L. Scott**

**Q-15. Refer to the response to Staff Second Request, Item 16(h).**

- a. Concerning the Value Delivery Team ("VDT") Workforce Reduction surcredit refunded to customers, does the adjustment to the revenues in effect result in the pro forma test year reflecting more than 12 months of revenues? Explain the response.
- b. Provide the calculations, workpapers, and assumptions used to determine the "Actual VDT costs" and "VDT settlement cost amortization" for electric and gas operations as shown on Rives Exhibit 1, Schedule 1.21.
  - (1) Include the total beginning balance of the "Actual VDT costs" and "VDT settlement cost amortization."
  - (2) Include the accounting journal entries LG&E filed with the Commission under the terms of the settlement agreement.
  - (3) Include a reconciliation between the amounts shown as "VDT settlement cost amortization" and the LG&E electric and gas cost amortization as shown in LG&E's response to the First Data Request of Kroger dated February 3, 2004, Item 2, attachment to the response, page 36 of 38.
- c. Does LG&E agree that pursuant to the settlement agreement approved in Case No. 2001-00169, the amount of the deferred debit to be amortized associated with the VDT Workforce Reduction was capped at \$114,569,000 for LG&E's electric operations and \$56,300,000 for LG&E's gas operations? If not, explain in detail why LG&E disagrees.
- d. Explain in detail why the actual costs incurred by LG&E for the VDT Workforce Reduction exceeded the amounts included in the settlement agreement approved in Case No. 2001-00169.
- e. Explain in detail why LG&E has been recording the actual amount of VDT expenses on its books rather than the amounts agreed to in the settlement agreement in Case No. 2001-00169.

- A-15. a. No. LG&E does not agree that the VDT surcredit is a refund. In addition, the pro forma test year does not reflect more than 12 months of revenues. Please note that the Company's use of the term "refunded" in Rives Exhibit 1, Reference Schedule 1.21 was incorrect. LG&E in a settlement agreement with the Commission agreed to distribute a portion of VDT savings to its customers. LG&E in accordance with the settlement agreement issued a VDT surcredit rider effective December 3, 2001. The VDT surcredit rider for the test year had distributions to customers of \$4,770,000 (\$1,010,000 gas and \$3,760,000 electric). During the test period the VDT surcredit factor was estimated using forecasted volumes. Due to differences between forecasted and actual volumes billed, distributions for the test period were actually \$5,046,281 (\$1,241,796 gas and \$3,804,485 electric) creating a difference of \$276,281 from the amount agreed upon to distribute. To represent the test year as a normal year with a distribution amount equal to the amount agreed upon by the Commission it is necessary to make a pro forma adjustment to increase revenues \$276,281 (\$231,796 gas and \$44,485 electric).
- b. (1) See attached schedules for reconciliation of VDT costs and schedule of actual amortization and costs. The VDT estimated costs of \$144,385,000 were capped in the Original Settlement Agreement, PSC Case No. 2001-169. The estimated cost included in the settlement agreement was the amount at October 31, 2001. At December 31, 2001, LG&E revised the VDT costs *down* to \$140,529,276 and recorded this amount as a regulatory asset. LG&E later identified an additional \$200,000 of costs. As mentioned in (a) above LG&E issued a VDT surcredit rider effective December 3, 2001 with a total cost of \$140,729,276 to reflect the revised expenses. The "VDT settlement cost amortization" of \$23,900,000 (electric) and \$6,100,000 (gas) were annual amounts calculated based on this revised cost amount and included in the rider. During the test year, the final estimated VDT costs became actual adding \$680,800 over the \$140,529,276 booked in December 2001, making total costs of \$141,210,076. Due to the additional costs the amortization was adjusted to actual in the test year, which were \$24,124,781 (electric) and \$6,241,372 (gas).
- (2) See attached.
- (3) Kroger requested the original settlement order and this was provided in LG&E's response. As explained in b(1) above the original amount was revised down. The LG&E electric and gas amortization as shown in LG&E's response to the First Data Request of Kroger dated February 3, 2004 is based on the VDT estimated costs of \$144,385,000 that were agreed on December 3, 2001 in the Original Settlement Agreement under PSC Case No. 2001-169. At December 31, 2001, revised VDT costs of \$140,529,276 were capitalized. The "VDT settlement cost amortization"



of \$23,900,000 (electric) and \$6,100,000 (gas) were annual amounts calculated based on this revised cost amount.

- c. No. LG&E agrees that pursuant to the settlement agreement approved in Case No. 2001-00169, the amount of the deferred debit to be amortized associated with the VDT Workforce Reduction was capped at \$114,569,000 for LG&E's electric operations. However, the VDT Workforce Reduction was capped at \$29,816,000 for LG&E's gas operations.
- d. The actual costs incurred by LG&E for the VDT Workforce Reduction do *not* exceed the amounts included in the settlement agreement approved in Case No. 2001-00169. LG&E incurred \$111,572,955 for its electric operations and \$29,637,121 for gas operations for a total of \$141,210,076. The electric, gas and total company operations are *below* the original cap set out in the settlement order.
- e. Consistent with the order which required LG&E to use the lower of capped or actual costs, LG&E recorded the actual amount of VDT costs on its books rather than the amounts agreed to in the settlement agreement because the actual amounts are lower than the capped settlement amounts. In fact, through Rives Exhibit 1, Reference Schedule 1.21, LG&E has removed the amortization of actual costs above the VDT surcredit rider for ratemaking purposes. LG&E is capping recoverable costs at the amount of VDT surcredit rider issued in December 2001, which is *below* the original settlement amount of \$144,385,000.

**LOUISVILLE GAS AND ELECTRIC COMPANY****Reconciliation of VDT Costs**

|   | <u>Amount</u>         |
|---|-----------------------|
| October 31, 2001 Settlement Agreement and Cost Cap  | \$ 144,385,000        |
| Employees rescinding voluntary enhanced severance<br>program in December                          | <u>3,855,724</u>      |
| Amount recorded as regulatory asset on December 31, 2001  | \$ 140,529,276        |
| Additional costs incurred in January 2002 transferred<br>to regulatory asset in December 2002 (a) | <u>200,000</u>        |
| Amount used in calculation of VDT Surcredit rider<br>effective December 3, 2001                   | \$ 140,729,276        |
| Additional costs over estimated expenses incurred in<br>balance of 2002 and 2003 (a)              | <u>480,800</u>        |
| Final costs of VDT  | <u>\$ 141,210,076</u> |

(a) Final amounts were adjusted for additional medical costs incurred, LG&E agreed to pay employees 18 months of medical costs after severance date, and tuition and outplacement costs for employees.

**LOUISVILLE GAS AND ELECTRIC COMPANY****Schedule of VDT Costs and Amortization**

|                   | Account 930.2<br>Electric<br>Amortization | Account 930.2<br>Gas<br>Amortization | Account 182316<br>Additional<br>VDT Costs | Account 182316<br>Balance |
|-------------------|---|--------------------------------------|---|---------------------------|
| Original Balance  |   |                                      |   | 140,529,276.00            |
| 2001 Amortization | (10,000,000.00)                           | (3,000,000.00)                       | -   | 127,529,276.00            |
| Total 2001        | (10,000,000.00)                           | (3,000,000.00)                       | -   |                           |
| January-02        | (1,991,666.67)                            | (508,333.33)                         | -   | 125,029,276.00            |
| February-02       | (1,991,666.67)                            | (508,333.33)                         | -   | 122,529,276.00            |
| March-02          | (1,991,666.67)                            | (508,333.33)                         | -   | 120,029,276.00            |
| April-02          | (1,991,666.67)                            | (508,333.33)                         | -   | 117,529,276.00            |
| May-02            | (1,991,666.67)                            | (508,333.33)                         | -   | 115,029,276.00            |
| June-02           | (1,991,666.67)                            | (508,333.33)                         | -   | 112,529,276.00            |
| July-02           | (1,991,666.67)                            | (508,333.33)                         | -   | 110,029,276.00            |
| August-02         | (1,991,666.67)                            | (508,333.33)                         | -   | 107,529,276.00            |
| September-02      | (1,991,666.67)                            | (508,333.33)                         | -   | 105,029,276.00            |
| Jan-Sept 2002     | (17,925,000.03)                           | (4,574,999.97)                       | -   |                           |
| October-02        | (1,991,666.67)                            | (508,333.33)                         | -   | 102,529,276.00            |
| November-02       | (1,991,666.67)                            | (508,333.33)                         | -   | 100,029,276.00            |
| December-02       | (1,991,666.67)                            | (508,333.33)                         | 514,330.52                                | 98,043,606.52             |
| January-03        | (2,043,609.34)                            | (521,590.66)                         | 140,478.45                                | 95,618,884.97             |
| February-03       | (2,043,609.34)                            | (521,590.66)                         | 4,267.40                                  | 93,057,952.37             |
| March-03          | (2,043,609.34)                            | (521,590.66)                         | 800.93                                    | 90,493,553.30             |
| April-03          | (2,043,609.34)                            | (521,590.66)                         | 1,507.00                                  | 87,929,860.30             |
| May-03            | (2,043,609.34)                            | (521,590.66)                         | 9,610.56                                  | 85,374,270.86             |
| June-03           | (1,980,056.00)                            | (526,344.00)                         | 2,590.12                                  | 82,870,460.98             |
| July-03           | (1,983,871.70)                            | (527,358.30)                         | 7,214.91                                  | 80,366,445.89             |
| August-03         | (1,983,871.70)                            | (527,358.30)                         | -   | 77,855,215.89             |
| September-03      | (1,983,871.70)                            | (527,358.30)                         | -   | 75,343,985.89             |
| Test Year         | (24,124,717.81)                           | (6,241,372.19)                       | 680,799.89                                |                           |
| October-03        | (1,983,871.70)                            | (527,358.30)                         | -   | 72,832,755.89             |
| November-03       | (1,983,871.70)                            | (527,358.30)                         | -   | 70,321,525.89             |
| December-03       | (1,983,871.70)                            | (527,358.30)                         | -   | 67,810,295.89             |
| Oct-Dec 2003      | (5,951,615.10)                            | (1,582,074.90)                       | -   |                           |

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Schedule of VDT Costs and Amortization**

|              | Account 930.2<br>Electric<br>Amortization | Account 930.2<br>Gas<br>Amortization | Account 182316<br>Additional<br>VDT Costs | Account 182316<br>Balance |
|--------------|---|--------------------------------------|---|---------------------------|
| January-04   | (1,983,871.70)                            | (527,358.30)                         | -   | 65,299,065.89             |
| February-04  | (1,983,871.70)                            | (527,358.30)                         | -   | 62,787,835.89             |
| March-04     | (1,983,871.70)                            | (527,358.30)                         | -   | 60,276,605.89             |
| April-04     | (1,983,871.70)                            | (527,358.30)                         | -   | 57,765,375.89             |
| May-04       | (1,983,871.70)                            | (527,358.30)                         | -   | 55,254,145.89             |
| June-04      | (1,983,871.70)                            | (527,358.30)                         | -   | 52,742,915.89             |
| July-04      | (1,983,871.70)                            | (527,358.30)                         | -   | 50,231,685.89             |
| August-04    | (1,983,871.70)                            | (527,358.30)                         | -   | 47,720,455.89             |
| September-04 | (1,983,871.70)                            | (527,358.30)                         | -   | 45,209,225.89             |
| October-04   | (1,983,871.70)                            | (527,358.30)                         | -   | 42,697,995.89             |
| November-04  | (1,983,871.70)                            | (527,358.30)                         | -   | 40,186,765.89             |
| December-04  | (1,983,871.70)                            | (527,358.30)                         | -   | 37,675,535.89             |
| Total 2004   | (23,806,460.40)                           | (6,328,299.60)                       | -   |                           |
| January-05   | (1,983,871.70)                            | (527,358.30)                         | -   | 35,164,305.89             |
| February-05  | (1,983,871.70)                            | (527,358.30)                         | -   | 32,653,075.89             |
| March-05     | (1,983,871.70)                            | (527,358.30)                         | -   | 30,141,845.89             |
| April-05     | (1,983,871.70)                            | (527,358.30)                         | -   | 27,630,615.89             |
| May-05       | (1,983,871.70)                            | (527,358.30)                         | -   | 25,119,385.89             |
| June-05      | (1,983,871.70)                            | (527,358.30)                         | -   | 22,608,155.89             |
| July-05      | (1,983,871.70)                            | (527,358.30)                         | -   | 20,096,925.89             |
| August-05    | (1,983,871.70)                            | (527,358.30)                         | -   | 17,585,695.89             |
| September-05 | (1,983,871.70)                            | (527,358.30)                         | -   | 15,074,465.89             |
| October-05   | (1,983,871.70)                            | (527,358.30)                         | -   | 12,563,235.89             |
| November-05  | (1,983,871.70)                            | (527,358.30)                         | -   | 10,052,005.89             |
| December-05  | (1,983,871.70)                            | (527,358.30)                         | -   | 7,540,775.89              |
| Total 2005   | (23,806,460.40)                           | (6,328,299.60)                       | -   |                           |
| January-06   | (1,983,871.70)                            | (527,358.30)                         | -   | 5,029,545.89              |
| February-06  | (1,983,871.70)                            | (527,358.30)                         | -   | 2,518,315.89              |
| March-06     | (1,990,957.59)                            | (527,358.30)                         | -   | 0.00                      |
| Jan-Mar 2006 | (5,958,700.99)                            | (1,582,074.90)                       | -   |                           |

|              |                      | VDT Settlement Surcredit |               |               |               |               |                          |
|--------------|----------------------|--------------------------|---------------|---------------|---------------|---------------|--------------------------|
| Year         |                      | 2001                     | 2002          | 2003          | 4             | 5             | 6 Total                  |
| LGE Electric | Est Savings          | 12.7                     | 26.7          | 35.5          | 38            | 40.6          | 10.5 164                 |
|              | Costs                | 10                       | 23.9          | 23.9          | 23.9          | 23.9          | 6.1 111.7                |
|              | Net                  | 2.7                      | 2.8           | 11.6          | 14.1          | 16.7          | 4.4 52.3                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$1,080,000              | \$1,120,000   | \$4,640,000   | \$5,640,000   | \$6,680,000   | \$1,760,000 \$20,920,000 |
|              | Forecast Revenues    | \$38,269,000             | \$562,672,000 | \$604,931,000 | \$628,473,000 | \$644,137,000 | \$142,560,000            |
|              | Factor               | 2.82%                    | 0.20%         | 0.77%         | 0.90%         | 1.04%         | 1.23%                    |
| LGE Gas      | Est Savings          | 3.3                      | 6.9           | 9.2           | 9.9           | 10.6          | 2.7 42.6                 |
|              | Costs                | 3                        | 6.1           | 6.1           | 6.1           | 6.1           | 1.6 29                   |
|              | Net                  | 0.3                      | 0.8           | 3.1           | 3.8           | 4.5           | 1.1 13.6                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$120,000                | \$320,000     | \$1,240,000   | \$1,520,000   | \$1,800,000   | \$440,000 \$5,440,000    |
|              |                      | \$44,151,000             | \$262,359,000 | \$229,902,000 | \$235,179,000 | \$251,654,000 | \$113,733,000            |
|              |                      | 0.27%                    | 0.12%         | 0.54%         | 0.65%         | 0.72%         | 0.39%                    |
| KU Electric  | Est Savings          | 6.2                      | 13.1          | 17.4          | 18.7          | 19.9          | 5.1 80.4                 |
|              | Costs                | 5                        | 11.5          | 11.5          | 11.5          | 11.5          | 3 54                     |
|              | Net                  | 1.2                      | 1.6           | 5.9           | 7.2           | 8.4           | 2.1 26.4                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$480,000                | \$640,000     | \$2,360,000   | \$2,880,000   | \$3,360,000   | \$840,000 \$10,560,000   |
|              |                      | \$56,225,000             | \$657,955,000 | \$724,479,000 | \$757,809,000 | \$745,078,000 | \$191,180,000            |
|              |                      | 0.85%                    | 0.10%         | 0.33%         | 0.38%         | 0.45%         | 0.44%                    |

**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2003-00434**

**Response to Third Data Request of the Commission Staff**

**Dated March 1, 2004**

**Question No. 17**

**Responding Witness: Valerie L. Scott**

Q-17. Refer to the response to Staff Second Request, Item 16(h).

- a. Concerning the Value Delivery Team ("VDT") Workforce Reduction surcredit refunded to customers, does the adjustment to the revenues in effect result in the pro forma test year reflecting more than 12 months of revenues? Explain the response.
- b. Provide the calculations, workpapers, and assumptions used to determine the "Actual VDT costs" and "VDT settlement cost amortization" as shown on Rives Exhibit 1, Schedule 1.21.
  - (1) Include the total beginning balance of the "Actual VDT costs" and "VDT settlement cost amortization."
  - (2) Include the accounting journal entries KU filed with the Commission under the terms of the settlement agreement.
  - (3) Include a reconciliation between the amounts shown as "VDT settlement cost amortization" and the KU cost amortization as shown in KU's response to the First Data Request of Kroger dated February 3, 2004, Item 2, attachment to the response, page 36 of 38.
- c. Does KU agree that pursuant to the settlement agreement approved in Case No. 2001-00169, the amount of the deferred debit to be amortized associated with the VDT Workforce Reduction was capped at \$56,300,000? If not, explain in detail why KU disagrees.
- d. Explain in detail why the actual costs incurred by KU for the VDT Workforce Reduction exceeded the amounts included in the settlement agreement approved in Case No. 2001-00169.
- e. Explain in detail why KU has been recording the actual amount of VDT expenses on its books rather than the amounts agreed to in the settlement agreement in Case No. 2001-00169.

- A-17. a. No. KU does not agree that the VDT surcredit is a refund. In addition, the pro forma test year does not reflect more than 12 months of revenues. Please note that the Company's use of the term "refunded" in Rives Exhibit 1, Reference Schedule 1.21 was incorrect. KU in a settlement agreement with the Commission agreed to distribute a portion of VDT savings to its customers. KU in accordance with the settlement agreement issued a VDT surcredit rider effective December 3, 2001. The VDT surcredit rider for the test year had distributions to customers of \$1,930,000. During the test period the VDT surcredit factor was estimated using forecasted volumes. Due to differences between forecasted and actual volumes billed, refunds for the test period were actually \$2,015,337 creating a difference of \$85,337 from the amount agreed upon to distribute. To represent the test year as a normal year with a distribution amount equal to the amount agreed upon by the Commission it is necessary to make a pro forma adjustment to increase revenues \$85,337.
- b. (1) See attached schedules for reconciliation of VDT costs and schedule of actual amortization and costs. VDT estimated costs of \$56,300,000 were capped in the Original Settlement Agreement, PSC Case No. 2001-169. The estimated cost included in the settlement agreement was the amount at October 31, 2001. At December 31, 2001, KU revised the VDT costs *down* to \$53,811,240 and recorded this amount as a regulatory asset. KU later identified an additional \$200,000 of costs. As mentioned in (a) above KU issued a VDT surcredit rider effective December 3, 2001 with a total cost of \$54,011,240 to reflect the revised expenses. The "VDT settlement cost amortization" of \$11,500,000 was an annual amount calculated based on this revised cost amount and included in the rider. During the test year, the final estimated VDT costs became actual adding \$1,169,056 over the \$53,811,240 booked in December 2001, making total costs of \$54,980,296. Due to the additional costs the amortization was adjusted to actual in the test year which was \$11,966,280.
- (2) See attached.
- (3) Kroger requested the original settlement order and this was provided in KU's response. As explained in b(1) above the original amount was revised *down*. The KU amortization as shown in KU's response to the First Data Request of Kroger dated February 3, 2004 is based on the VDT estimated costs of \$56,300,000 that were agreed on December 3, 2001 in the Original Settlement Agreement under PSC Case No. 2001-169. At December 31, 2001, revised VDT costs of \$53,811,240 were capitalized. The "VDT settlement cost amortization" of \$11,500,000 was an annual amount calculated based on this revised cost amount.

- c. Yes, KU agrees that pursuant to the settlement agreement approved in Case No. 2001-00169, the amount of the deferred debit to be amortized associated with the VDT Workforce Reduction was capped at \$56,300,000.
- d. The actual costs incurred by KU for the VDT Workforce Reduction do *not* exceed the amounts included in the settlement agreement approved in Case No. 2001-00169. KU incurred a total of \$54,980,296, which is below the original cap set out in the settlement order.
- e. Consistent with the order which required KU to use the lower of capped or actual costs, KU recorded the actual amount of VDT costs on its books rather than the amounts agreed to in the settlement agreement because the actual amounts are lower than the capped settlement amounts. In fact, through Rives Exhibit 1, Reference Schedule 1.21, KU has removed the amortization of actual costs above the VDT surcredit rider for ratemaking purposes. KU is capping recoverable costs at the amount of VDT surcredit rider issued in December 2001, which is *below* the original settlement amount of \$56,300,000.



**KENTUCKY UTILITIES COMPANY****Reconciliation of VDT Costs**

|   | <u>Amount</u>        |
|---|----------------------|
| October 31, 2001 Settlement Agreement and Cost Cap  | \$ 56,300,000        |
| Employees rescinding voluntary enhanced severance<br>program in December                          | <u>2,488,760</u>     |
| Amount recorded as regulatory asset on December 31, 2001  | \$ 53,811,240        |
| Additional costs incurred in January 2002 transferred<br>to regulatory asset in December 2002 (a) | <u>200,000</u>       |
| Amount used in calculation of VDT Surcredit rider<br>effective December 3, 2001                   | \$ 54,011,240        |
| Additional costs over estimated expenses incurred in<br>balance of 2002 and 2003 (a)              | <u>969,056</u>       |
| Final costs of VDT  | <u>\$ 54,980,296</u> |

(a) Final amounts were adjusted for additional medical costs incurred, KU agreed to pay employees 18 months of medical costs after severance date, and tuition and outplacement costs for employees.

**KENTUCKY UTILITIES COMPANY**  
**Schedule of VDT Costs and Amortization**

|                   | Account 930.2<br>Amortization | Account 182316<br>Additional<br>VDT Costs | Account 182316<br>Balance |
|-------------------|-------------------------------|---|---------------------------|
| Original Balance  |                               |   | 53,811,240.00             |
| 2001 Amortization | (5,000,000.00)                | -   | 48,811,240.00             |
| Total 2001        | (5,000,000.00)                | -   |                           |
| January-02        | (958,333.33)                  | -   | 47,852,906.67             |
| February-02       | (958,333.33)                  | -   | 46,894,573.34             |
| March-02          | (958,333.33)                  | -   | 45,936,240.01             |
| April-02          | (958,333.33)                  | -   | 44,977,906.68             |
| May-02            | (958,333.33)                  | -   | 44,019,573.35             |
| June-02           | (958,333.33)                  | -   | 43,061,240.02             |
| July-02           | (958,333.33)                  | -   | 42,102,906.69             |
| August-02         | (958,333.33)                  | -   | 41,144,573.36             |
| September-02      | (958,333.33)                  | -   | 40,186,240.03             |
| Jan-Sept 2002     | (8,624,999.97)                | -   |                           |
| October-02        | (958,333.33)                  | -   | 39,227,906.70             |
| November-02       | (958,333.33)                  | -   | 38,269,573.37             |
| December-02       | (958,333.33)                  | 1,064,033.88                              | 38,375,273.92             |
| January-03        | (1,035,300.00)                | 86,142.01                                 | 37,426,115.93             |
| February-03       | (1,035,300.00)                | 5,086.60                                  | 36,395,902.53             |
| March-03          | (1,035,300.00)                | 2,350.00                                  | 35,362,952.53             |
| April-03          | (1,035,300.00)                | -   | 34,327,652.53             |
| May-03            | (1,035,300.00)                | 1,879.13                                  | 33,294,231.66             |
| June-03           | (976,400.00)                  | 4,207.00                                  | 32,322,038.66             |
| July-03           | (979,460.00)                  | 5,357.00                                  | 31,347,935.66             |
| August-03         | (979,460.00)                  | -   | 30,368,475.66             |
| September-03      | (979,460.00)                  | -   | 29,389,015.66             |
| Test Year         | (11,966,279.99)               | 1,169,055.62                              |                           |
| October-03        | (979,460.00)                  | -   | 28,409,555.66             |
| November-03       | (979,460.00)                  | -   | 27,430,095.66             |
| December-03       | (979,460.00)                  | -   | 26,450,635.66             |
| Oct-Dec 2003      | (2,938,380.00)                | -   |                           |

**KENTUCKY UTILITIES COMPANY**  
**Schedule of VDT Costs and Amortization**

|              | Account 930.2<br>Amortization | Account 182316<br>Additional<br>VDT Costs | Account 182316<br>Balance |
|--------------|-------------------------------|---|---------------------------|
| January-04   | (979,460.00)                  | -   | 25,471,175.66             |
| February-04  | (979,460.00)                  | -   | 24,491,715.66             |
| March-04     | (979,460.00)                  | -   | 23,512,255.66             |
| April-04     | (979,460.00)                  | -   | 22,532,795.66             |
| May-04       | (979,460.00)                  | -   | 21,553,335.66             |
| June-04      | (979,460.00)                  | -   | 20,573,875.66             |
| July-04      | (979,460.00)                  | -   | 19,594,415.66             |
| August-04    | (979,460.00)                  | -   | 18,614,955.66             |
| September-04 | (979,460.00)                  | -   | 17,635,495.66             |
| October-04   | (979,460.00)                  | -   | 16,656,035.66             |
| November-04  | (979,460.00)                  | -   | 15,676,575.66             |
| December-04  | (979,460.00)                  | -   | 14,697,115.66             |
| Total 2004   | (11,753,520.00)               | -   |                           |
| January-05   | (979,460.00)                  | -   | 13,717,655.66             |
| February-05  | (979,460.00)                  | -   | 12,738,195.66             |
| March-05     | (979,460.00)                  | -   | 11,758,735.66             |
| April-05     | (979,460.00)                  | -   | 10,779,275.66             |
| May-05       | (979,460.00)                  | -   | 9,799,815.66              |
| June-05      | (979,460.00)                  | -   | 8,820,355.66              |
| July-05      | (979,460.00)                  | -   | 7,840,895.66              |
| August-05    | (979,460.00)                  | -   | 6,861,435.66              |
| September-05 | (979,460.00)                  | -   | 5,881,975.66              |
| October-05   | (979,460.00)                  | -   | 4,902,515.66              |
| November-05  | (979,460.00)                  | -   | 3,923,055.66              |
| December-05  | (979,460.00)                  | -   | 2,943,595.66              |
| Total 2005   | (11,753,520.00)               | -   |                           |
| January-06   | (979,460.00)                  | -   | 1,964,135.66              |
| February-06  | (979,460.00)                  | -   | 984,675.66                |
| March-06     | (984,675.66)                  | -   | 0.00                      |
| Jan-Mar 2006 | (2,943,595.66)                | -   |                           |

|              |                      | VDT Settlement Surcredit |               |               |               |               |                          |
|--------------|----------------------|--------------------------|---------------|---------------|---------------|---------------|--------------------------|
| Year         |                      | 2001                     | 2002          | 2003          | 4             | 5             | 6 Total                  |
| LGE Electric | Est Savings          | 12.7                     | 26.7          | 35.5          | 38            | 40.6          | 10.5 164                 |
|              | Costs                | 10                       | 23.9          | 23.9          | 23.9          | 23.9          | 6.1 111.7                |
|              | Net                  | 2.7                      | 2.8           | 11.6          | 14.1          | 16.7          | 4.4 52.3                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$1,080,000              | \$1,120,000   | \$4,640,000   | \$5,640,000   | \$6,680,000   | \$1,760,000 \$20,920,000 |
|              | Forecast Revenues    | \$38,269,000             | \$562,672,000 | \$604,931,000 | \$628,473,000 | \$644,137,000 | \$142,560,000            |
|              | Factor               | 2.82%                    | 0.20%         | 0.77%         | 0.90%         | 1.04%         | 1.23%                    |
| LGE Gas      | Est Savings          | 3.3                      | 6.9           | 9.2           | 9.9           | 10.6          | 2.7 42.6                 |
|              | Costs                | 3                        | 6.1           | 6.1           | 6.1           | 6.1           | 1.6 29                   |
|              | Net                  | 0.3                      | 0.8           | 3.1           | 3.8           | 4.5           | 1.1 13.6                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$120,000                | \$320,000     | \$1,240,000   | \$1,520,000   | \$1,800,000   | \$440,000 \$5,440,000    |
|              |                      | \$44,151,000             | \$262,359,000 | \$229,902,000 | \$235,179,000 | \$251,654,000 | \$113,733,000            |
|              |                      | 0.27%                    | 0.12%         | 0.54%         | 0.65%         | 0.72%         | 0.39%                    |
| KU Electric  | Est Savings          | 6.2                      | 13.1          | 17.4          | 18.7          | 19.9          | 5.1 80.4                 |
|              | Costs                | 5                        | 11.5          | 11.5          | 11.5          | 11.5          | 3 54                     |
|              | Net                  | 1.2                      | 1.6           | 5.9           | 7.2           | 8.4           | 2.1 26.4                 |
|              | Sharing              | 40%                      | 40%           | 40%           | 40%           | 40%           | 40% 40%                  |
|              | Net Savings to cust. | \$480,000                | \$640,000     | \$2,360,000   | \$2,880,000   | \$3,360,000   | \$840,000 \$10,560,000   |
|              |                      | \$56,225,000             | \$657,955,000 | \$724,479,000 | \$757,809,000 | \$745,078,000 | \$191,180,000            |
|              |                      | 0.85%                    | 0.10%         | 0.33%         | 0.38%         | 0.45%         | 0.44%                    |